

INDUSTRY UPDATE

Biweekly Period Ending October 21, 2000

Phoenix Metro Area

Manufacturing

Needing space to expand its horizons, the world's **largest guitar maker** will **move** its **corporate headquarters**, literally across the street, to a 70,000-square-foot building on the **Salt River Pima-Maricopa Indian Community**. Scottsdale-based **Fender Musical Instruments Corp.** currently has between 250 and 300 administrative, marketing, and accounting employees at its offices on Pima Road. The 54-year-old company will move into a one-story office building, near Loop 101 and Chaparral Road, within a year.

Construction

A **1 million-square-foot office complex** on 56 acres in **Chandler** highlights a **number of major commercial and residential projects** recently announced. The \$35 million **Chandler Freeways Business Park**, which will sit on the southeast corner of Loop 202 (San Tan Freeway) and 56th Street, is expected to be **home to between 2,000 and 3,000 high-tech and industrial workers**. Developer Ryan Cos. expects to begin work on the first phase of the 56-acre project — three buildings totaling 165,000 square feet — late this year or early next year. ... Among **other notable projects** planned or currently under construction are: a 924-acre **master-planned community** called **Stonehaven** in **north Scottsdale** (bounded by Cave Creek Road, Stagecoach Pass, the Tonto National Forest, and the town of Carefree), which features 747 lots and the first Greg Norman-designed golf course in Arizona; an 80-acre, **439-home gated community** by **Kaufman and Broad** in **south Phoenix** (12th Street and Baseline Road) called **Dobbins Creek**; a

655-acre site (surrounded by Bell, Greenway, and Litchfield roads, and Bullard Avenue) designated by the **city of Surprise** for residential and commercial development, which would include **115 acres to construct city offices**, a library, community center, and recreation complex, and space for a regional mall, business park, and potentially a baseball spring training complex; the **second and third phases** of the **Hines' high-end development** at **24th Street and Camelback Road**, which will include a 300,000-square-foot **11-story office building** and a **350-room, 11-story hotel**.

Services

The **east Valley** will get its **first new hospital** in **nearly 20 years** when San Francisco-based **Catholic Healthcare West** builds a **50-bed, \$30 million facility** in the next two to three years. No site has been chosen, but it's expected the company will select a location near Ellsworth Road and the planned Loop 202, east of Mesa, within the next few months. The project will start with an urgent and outpatient care center, then expand to a full-fledged hospital with emergency care. Catholic Healthcare West owns Chandler Regional Hospital and St. Joseph's Hospital and Medical Center in Phoenix.

Finance, Insurance, and Real Estate

Chandler-based **Rocky Mountain Bank**, which has nine branches in the Valley, seven in Wal-Mart stores, has agreed to be **acquired by First National Bank of Nevada Holding Co.** Although no official statement has been made, layoffs appear unlikely because First National, which also owns First Bank of Arizona and First National Bank of Nevada, said

it expects to **open five additional branches** in Arizona Wal-Mart stores by next January.

Tucson Metro Area

Manufacturing

Plastic Moldings Corp. of Cincinnati will **open** a \$15 million **state-of-the-art plant** at the Century Park Research Center in southeast Tucson that will **employ 230 people**. The facility, which is expected to open in February, will make plastic moldings for high-tech hand-held devices for clients such as Motorola and Sony. No information was made available on when the company will begin the hiring process.

Construction

The **University of Arizona** has **started work** on a **23-building, \$402 million capital-improvement project**. Among the projects planned or already under way are: a new Student Union and an Integrated Learning Center; a \$60 million biomedical and biotechnology building; a \$27 million renovation of the Arizona State Museum; a \$60 million expansion of the Environmental and Natural Resources Building and the Chemistry Building; and several housing projects costing \$89 million.

Trade

Exel Logistics, a leading **provider of supply chain management** for manufacturers and retailers, has leased 101,000-square-feet at Southpoint Distribution Center, 3085 S. McCulloch Drive. The Waltham, Mass.-based company, which employs more than 50,000 in 1,300 locations worldwide, expects to **initially hire 50 workers at the Tucson location**.

Balance of State

Transportation, Communications, and Public Utilities

Allegheny Energy Supply Co., LLC, plans to **build** a 1,080-megawatt natural gas-fired **electric generating facility** in **eastern La Paz County**. Based in Hagerstown, Md.,

Allegheny expects to **begin construction in 2002** on the \$540 million combined-cycle facility near Interstate 10 and Avenue 75E. About **400 workers** will be **needed to construct the plant**, which will **create 40 full-time jobs** when it comes on-line in 2005.

Trade

Home Depot will **build** a **105,000-square-foot store** in **Lake Havasu City** as part of a planned retail power center at Airport Centre west of State Route 95. The home-improvement store, which will create 200 jobs, is expected to open in late spring. No additional stores have been named for the shopping center.

Statewide

Finance, Insurance, and Real Estate

Six new banks are **awaiting approval** for a **state charter**, the most ever at one time, according to the state Banking Department. It's speculated that a recent consolidation of banking in Arizona is the major reason for the surge in new charters. The banks and their locations are: Desert Hills Bank and Southwest Bank of Phoenix, Phoenix; First Bank Yuma and Yuma Community Bank, Yuma; Mission Bank, Kingman; and First Country Bank, Pinetop.

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